



STATE BOARD OF EQUALIZATION

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March 23, 1979

No. 79/61

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 6

In compliance with your Legislative Committee's proposal that you be informed of the various property tax bills and amendments being proposed in the State Legislature, we submit to you those measures introduced or amended recently that have reached our office.

We are including only those bills or constitutional amendments that we feel are of importance to you as an assessor. Bills concerning the functions of the tax collector, auditor, and other county or special district officials will usually be excluded.

We are using a new format to summarize the legislative bills. A brief analysis of the bill, action taken, date, and sections affected will be provided. Bills will be arranged by "general topic." An * following the bill number indicates an amended version of a previously reviewed bill.

Bills which have been chaptered since the last Summary of Proposed Legislation letter are:

- (1) SB 193 — Marks, et al. — Chapter 5, Statutes of 1979 (cargo container exemption)
- (2) SB 239 — Craven — Chapter 4, Statutes of 1979 (placement of certain possessory interests on the secured roll)

The provisions of these bills were explained in detail in recent assessors' letters 79/52 and 79/53.

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814).

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosures

AB 15*

Author: Roos

Action: Amended in Assembly

Date : March 14, 1979

Affected References: Amends Section 17053.5 of, and adds Sections 107.5 and 2188.6 to, the Revenue and Taxation Code

This bill would separately assess and tax certain renters on their interest in the real property. Its provisions, however, shall become operative only if Congress, the Internal Revenue Service, or the Federal courts authorize the deduction of property taxes paid by tenants in the computation of Federal income taxes. The bill would also increase the existing renter's credit to \$180. An unspecified appropriation is included in the bill to cover local costs incurred in its implementation.

AB 35*/ACA 1*

Author: Bane

Action: Amended in Assembly

Date : March 13, 1979

Affected References: Sections 218, 6051, 6201, and 7102, Revenue and Taxation Code; and various sections of the Government Code

This bill would extend the homeowner's exemption from the current \$7,000 to the full value of a dwelling occupied by an owner or renter as a principal place of residence on the lien date.

The bill also increases the State sales and use tax and provides for the distribution thereof.

AB 156*

Author: Willie Brown

Action: Amended in Assembly

Date : March 8, 1979

Affected References: Various sections of the Revenue and Taxation and Government Codes -- Urgency Measure

This bill is basically the vehicle which legislates the recommendations of the Assembly Revenue and Taxation Committee Task Force. Its general provisions are as follows:

- 1) Base year values -- Option 3
- 2) Ownership change and exclusions thereto
 - (a) Leases of 50 years or more
 - (b) Exclusions
 1. Transfers between co-owners with no change in proportional interests

2. Certain trusts
 3. Transfers where transferor retains beneficial use of property
 4. Broadens interspousal exclusions
 5. Undivided interest of less than five percent
-
- 3) New Construction -- No significant changes
 - 4) Assessment Appeals -- No significant changes
 - 5) Taxpayer Reporting -- Change in ownership information
 - 6) Disaster Relief
 - 7) Extension of various dates -- 1979-80 fiscal year
 - 8) No escapes, no refunds for years prior to 1979-80

AB 156 contains no appropriation for local costs incurred in its implementation.

AB 199*

Author: Hannigan

Action: Amended in Assembly

Date : March 12, 1979

Affected References: Sections 255.3, 2615.5, 255.4 of the Revenue and Taxation Code

AB 199 deletes the requirement that the assessor annually mail termination/correction notices to taxpayers who received the exemption the previous year. The bill now repeals Section 255.4 and provides that the tax bill be accompanied by a notice concerning ineligibility for the homeowner's exemption.

AB 266*

Author: Ellis

Action: Amended in Assembly

Date : March 1, 1979

Affected Reference: Amends Section 110.1, Revenue and Taxation Code

This bill would provide that if the value of a property has been determined to be incorrect upon appeal to a county board, the assessor shall adjust the base year value of the property to the correct value of such property as reflected by the equalized value determined by the county board upon appeal.

AB 692

Author: Nestande

Action: Introduced

Date : March 1, 1979

Affected Reference: Repeals Section 3 of Chapter 456 of the Statutes of 1974

Existing law defines certain records of a person employed in a business or profession and provides for their assessment for property taxation based on the value of only the tangible material upon which or in which they are recorded, maintained, or stored. Such provision was operative only until the 1979-80 fiscal year.

This bill would delete the 1980 repeal date and thus provide that such assessment methods be applicable beyond the 1979-80 fiscal year.

ACA 28

Author: Willie Brown

Action: Introduced

Date : March 7, 1979

Affected Reference: Section 10 of Article XIII of the State Constitution

Existing constitutional provisions limit the assessed value of certain real property used exclusively for nonprofit golf courses. This measure would deny such limitation to any golf course which participates in any discriminatory activity on the basis of race, sex, age, nationality, or religion.

SB 6

Author: Marks

Action: Amended in Senate

Date : February 20, 1979

Affected Reference: Section 110.6, Revenue and Taxation Code --
Urgency Measure

This bill would exclude from the definition of "change of ownership" any transfer to create a joint tenancy interest in the transferor and specified relatives or to create certain revocable inter vivos trusts.

SB 75*

Author: Sieroty

Action: Amended in Assembly

Date : March 12, 1979

Affected Reference: Amends Section 110.6, Revenue and Taxation Code
-- Urgency Measure

This bill would specify that a change of ownership includes the creation, sublease, or assignment of leasehold interests for a term in excess of 50 years.

SB 414

Author: Campbell

Action: Introduced

Date : February 20, 1979

Affected References: Various Sections of the Civil, Government,
and Revenue and Taxation Codes -- Urgency Measure

This bill would increase the business inventory exemption in specified increments, annually, until 100 percent of the assessed value of business inventories is exempted for the 1984-85 fiscal year and thereafter.

SB 501

Author: Petris

Action: Introduced

Date : March 6, 1979

Affected Reference: Section 110.6, Revenue and Taxation Code --
Urgency Measure

This bill would exclude from the definition of change of ownership the transfer of property into revocable, intervivos trusts, on and after March 1, 1975. The bill would also provide that partial transfers of real property completed between March 1, 1975 and July 1, 1978 shall constitute a change in ownership only with regard to that portion of the property which is transferred.

SCA 19

Authors: Greene, et al

Action : Introduced

Date : March 7, 1979

Affected Reference: Section 2(a) of Article XIII A of the State
Constitution

This measure would specify that a change of ownership shall not mean any interspousal transfer of property.